

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6907

BILL NUMBER: HB 1517

DATE PREPARED: Dec 23, 2000

BILL AMENDED:

SUBJECT: Transfer of Funds.

FISCAL ANALYST: Bob Sigalow

PHONE NUMBER: 232-9859

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill increases the maximum ad valorem property tax levy for the Township Firefighting Fund for Fall Creek Township in Hamilton County by \$100,000. It permits the State Board of Tax Commissioners to reduce the maximum ad valorem property tax levy of all other funds of the township, except for the Township Firefighting Fund, by \$100,000.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: If the State Tax Board reduces the nonfire maximum levy for the township at the same time that the firefighting maximum levy is increased in 2002, then there would be no overall change to the township's levy authority. It would merely move \$100,000 of levy authority from one fund to the other.

However, the shifting of the levy authority would change the makeup of taxpayers who would pay the levy. Fall Creek Township's total assessed value (AV) was \$245.6 M in CY 2000. The AV applicable to the funds governed by the nonfire maximum levy was also \$245.6 M. Because the township fire department does not service the entire township, the AV for the Township Fire Fund was only \$112.1 M in CY 2000. If the \$100,000 were levied as part of the General Fund under current law, then all taxpayers in the township would pay a tax rate of about \$0.04 per \$100 of AV. Under this proposal, as part of the Township Fire Fund, the \$100,000 levy would generate a tax rate of about \$0.09 per \$100 of AV, but only on the taxpayers serviced by township fire.

Fall Creek Township's CY 2000 unit maximum levy was \$141,466 and the fire maximum levy was \$267,683. The certified levy that was subject to the unit maximum levy was \$50,096 while the certified fire levy was \$267,628.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: Fall Creek Township in Hamilton County.

Information Sources: Local Government Database.